

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)	
CHESAPEAKE UTILITIES CORPORATION)	
FOR APPROVAL OF A CHANGE IN ITS)	PSC DOCKET NO. 16-0908
GAS SALES SERVICE RATES ("GSR"))	
TO BE EFFECTIVE NOVEMBER 1, 2016)	
(FILED SEPTEMBER 1, 2016))	

ORDER NO. 8943

AND NOW, this 20th day of September, 2016, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on September 1, 2016, Chesapeake Utilities Corporation ("Chesapeake" or "the Company") filed with the Commission the above-captioned application (the "Application") seeking approval to change its Gas Sales Service Rates ("GSR") effective for usage on or after November 1, 2016, as follows: (1) increase the Company's current GSR rate from \$0.681 per Ccf to \$0.818 per Ccf for customers served under rate schedules RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS, and LVS; (2) increase the Company's current GSR rate from \$0.218 per Ccf to \$0.360 per Ccf for customers served under rate schedules GLR and GLO; (3) increase the Company's current GSR rate from \$0.488 per Ccf to \$0.628 per Ccf for customers served under rate schedule HLFS; (4) decrease the Company's firm balancing rate for transportation customers served under rate schedule GS and EGS from \$0.081 per Ccf to \$0.076 per Ccf; (5) increase the Company's firm balancing rate for transportation customers served under rate schedule MVS and EMVS from \$0.091 per Ccf to \$0.100 per Ccf; (6) increase the Company's firm balancing rate for transportation customers served under rate schedule LVS from \$0.073 per Ccf to \$0.089 per Ccf; (7) decrease the Company's

firm balancing rate for transportation customers served under rate schedule HLFS from \$0.024 per Ccf to \$0.017 per Ccf; and (8) decrease the Company's interruptible balancing rate for transportation customers served under rate schedule ITS from \$0.014 per Ccf to \$0.012 per Ccf; and

WHEREAS, the Commission has determined, pursuant to 26 Del. C. §§304 and 306, that the proposed GSR changes should be permitted to become effective for usage on and after November 1, 2016, subject to refund and pending the Commission's further review and final decision;

NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. Pursuant to 26 Del. C. §§303(b), 304, and 306, the following proposed changes to the GSR rates, firm balancing rates, and the accompanying proposed tariff revisions set forth in the Application, are permitted to become effective for natural gas usage on or after November 1, 2016, subject to refund and pending the Commission's final decision:

Rate Schedule	Present Rate	Proposed Rate
RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS, LVS	\$0.681 per Ccf	\$0.818 per Ccf
GLR, GLO	\$0.218 per Ccf	\$0.360 per Ccf
HLFS	\$0.488 per Ccf	\$0.628 per Ccf

Rate Schedule	Present Balancing Rate	Proposed Balancing Rate
GS/EGS	\$0.081 per Ccf	\$0.076 per Ccf
MVS/EMVS	\$0.091 per Ccf	\$0.100 per Ccf
LVS	\$0.073 per Ccf	\$0.089 per Ccf
HLFS	\$0.024 per Ccf	\$0.017 per Ccf
ITS	\$0.014 per Ccf	\$0.012 per Ccf

2. R. Campbell Hay is designated as the Hearing Examiner for this docket pursuant to 26 Del. C. §502 and 29 Del. C. ch. 101.

Hearing Examiner Hay shall schedule and conduct such public evidentiary hearings as may be necessary or appropriate to develop a full and complete record concerning this matter. Hearing Examiner Hay shall thereafter prepare and submit to the Commission a proposed order for the Commission's consideration, which proposed order shall include a brief summary of the evidence and recommended findings of fact based upon the evidence presented, his recommended conclusions of law, and his recommended decision. Pursuant to 26 Del. Admin. C. §1001-2.9.3, Hearing Examiner Hay is delegated the authority to grant or deny petitions to intervene. In addition, Hearing Examiner Hay is delegated the authority under 26 Del. C. §102A to determine the content, form, and manner of any further notice in this matter and is delegated the authority under 26 Del. Admin. C. §1001-2.1 to grant applications of counsel for admission *pro hac vice*.

3. Chesapeake shall give public notice of the filing of this Application, with the proposed rate changes and this action by the Commission, by publishing notice in the form attached as **Exhibit "A"** in two-column format, outlined in black, in the legal classified section of The News Journal newspaper on **Tuesday, October 4, 2016**, and the Delaware State News newspaper on **Wednesday, October 5, 2016**. Chesapeake shall submit proof of such publications as soon as possible, but no later than the commencement of any evidentiary hearings concerning this matter.

4. The deadline for intervention pursuant to 26 Del. Admin C. §1001-2.9 shall be **Friday, October 28, 2016**. Petitions for intervention that are not received by the Commission **on or before**

Friday, October 28, 2016, will not be granted unless good cause is shown. Pursuant to Rule 1000.6.4 of the Commission's Rules of Practice and Procedure, 26 Del. Admin. Code §1000.1.6.4, petitions for intervention should be filed using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), by searching for Docket No. 16-0908.

5. As outlined in the form of notice (attached as **Exhibit "A"**), interested persons are afforded the opportunity to file objections to the proposed changes to the GSR rates, firm and interruptible balancing rates, and the accompanying proposed tariff revisions set forth in the Application. Such objections or written comments shall be filed **on or before Friday, October 28, 2016** using the Commission's file management system, DelaFile (<http://delafile.delaware.gov>), by searching for Docket No. 16-0908.

4. If the Commission does not receive any petitions to intervene, material objections, or written comments raising significant issues, the Commission may, by later order, rescind the designation of R. Campbell Hay as the Hearing Examiner for this proceeding, and approve the proposed changes to the GSR rates, firm and interruptible balancing rates, and the accompanying proposed tariff revisions set forth in the Application after a duly noticed evidentiary hearing at a regularly-scheduled Commission meeting.

5. Chesapeake is hereby put on notice that it will be charged the costs incurred by the Commission Staff and the Division of the Public Advocate in connection with this proceeding under the provisions of 26 Del. C. §114(b)(1).

6. The Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary

E X H I B I T "A"

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P U B L I C N O T I C E

TO: ALL NATURAL GAS CUSTOMERS OF CHESAPEAKE UTILITIES CORPORATION
AND OTHER INTERESTED PERSONS

Chesapeake Utilities Corporation's Gas Sales Service Rates Application

On September 1, 2016, Chesapeake Utilities Corporation ("Chesapeake" or the "Company") filed with the Delaware Public Service Commission (the "Commission") an application pursuant to 26 Del. C. §§303(b), 304, and 306 seeking to change its Gas Sales Service ("GSR") Rates as follows:

Rate Schedule	Present Rate	Proposed Rate
RS-1, ERS-1, RS-2, ERS-2, GS, EGS, MVS, EMVS, LVS	\$0.681 per Ccf	\$0.818 per Ccf
GLR, GLO	\$0.218 per Ccf	\$0.360 per Ccf
HLFS	\$0.488 per Ccf	\$0.628 per Ccf

Compared to the rates currently in effect, an average RS-2 customer using 700 Ccf per year will experience an annual increase of approximately 11.25%, or \$7.99 per month. During the winter heating season, a typical RS-2 customer using 120 Ccf per winter month will experience an increase of approximately 13.14%, or \$16.44 per winter month.

The Company has also proposed the following changes to its firm

and interruptible balancing rates for transportation customers:

Rate Schedule	Present Balancing Rate	Proposed Balancing Rate
GS/EGS	\$0.081 per Ccf	\$0.076 per Ccf
MVS/EMVS	\$0.091 per Ccf	\$0.100 per Ccf
LVS	\$0.073 per Ccf	\$0.089 per Ccf
HLFS	\$0.024 per Ccf	\$0.017 per Ccf
ITS	\$0.014 per Ccf	\$0.012 per Ccf

The Commission has permitted the proposed GSR and other rates to become effective with usage on and after November 1, 2016, subject to refund and pending the Commission's final decision after evidentiary hearings and any other proceedings that may be necessary.

The Commission will conduct evidentiary hearings, to be scheduled at a later date, concerning this Application. The Commission's final decision will be based on the evidence presented at such hearings.

If you wish to formally participate as a party in this matter, with the right to present evidence and be represented by counsel, you must file with the Commission a written petition asking for leave to intervene in accordance with the requirements of the Commission's Rules of Practice and Procedure (26 Del. Admin. C. §1001-2.9) **on or before Friday, October 28, 2016**. All such petitions should be e-filed according to the Commission's Rules (26 Del. Admin. C. §1001-1.6.4). Petitions filed after the deadline of October 28, 2016, will not be considered except for good cause shown.

Interested persons are afforded the opportunity to file objections to the proposed changes to the GSR, firm and interruptible balancing rates, and the accompanying proposed tariff revisions set forth in the Application. Such objections or written comments shall be filed **on or before Friday, October 28, 2016** using the Commission's

file management system, DelaFile (<http://delafile.delaware.gov>), and by searching for Docket No. 16-0908.

If the Commission does not receive any petitions to intervene, material objections, or written comments raising significant issues, the Commission may, by later order, rescind the designation of R. Campbell Hay as the Hearing Examiner for this proceeding, and approve the proposed changes to the GSR rates, firm and interruptible balancing rates, and the accompanying proposed tariff revisions set forth in the Application after a duly noticed evidentiary hearing at a regularly-scheduled Commission meeting.

You are invited to review Chesapeake's application and supporting documents to determine how your interests may be affected by going to DelaFile (<http://delafile.delaware.gov>), the Commission's file management system, and by searching for Docket No. 16-0908.

If you would like to review documents at the Commission's offices, please contact Donna Nickerson at (302) 736-7500 or by sending an email addressed to donna.nickerson@state.de.us. You may also review copies of Chesapeake's Application and supporting documents at the office of the Division of the Public Advocate located at either 820 North French Street, 4th Floor, Wilmington, Delaware 19801 or 29 South State Street, Dover, DE 19901. Please call either (302) 577-5077 (Wilmington) or (302) 241-2555 (Dover) to arrange for a time to review the documents at either of those locations.

If you wish to request copies of documents in this matter, please submit a Freedom of Information Act Request Form. The link to this form can be found on the Commission's website,

<http://dep.sc.delaware.gov>, or by visiting this web address:
<https://delawarefile.delaware.gov/Complaints/FOIA.aspx>. The Commission will respond to your request in accordance with the Delaware Freedom of Information Act, 29 Del. C. ch. 100.

If you have a disability and wish to participate or to review the materials in this matter, please contact the Commission to discuss any auxiliary aids or services you might need to help you. You may contact the Commission in person, by writing, by telephone (including text telephone), by Internet e-mail, or other means. If you have questions about this matter, you may call the Commission at 1-800-282-8574 (toll-free in Delaware) or (302) 736-7500 (voice and text telephone). You may also send questions regarding this matter by Internet e-mail addressed to jason.r.smith@state.de.us; include "PSC Docket No. 16-0908" as the subject.